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3 JUL 1957

MEMORANDUM FOR: Special Support Assistant to the  
Deputy Director (Support)  
Comptroller

SUBJECT: Report of Audit of Financial Budgetary Accounts as of  
30 April 1957

1. Our recommendations on the maintenance of fiscal year 1957 allotment records by NEA Division are contained in this memorandum rather than in the subject report because they are not applicable to other area divisions. NEA Division should initiate the following procedures promptly to assure continuity, comply with regulations, and facilitate audit:

- a. Post field expenditures to allotment control records currently (NEA Division generally does not post field expenditures applicable to Class A stations, and to those Class B stations reporting through Class A stations, but instead maintains a separate file of expenditure summaries extracted from field station accountings).
- b. Total the expenditure column of allotment control records monthly. (This column had not been totaled.)
- c. Prepare and retain in project folders monthly reconciliations of allotment control records to Finance Division "Status of Allotment" reports. (We were informed that this reconciliation work is being done but that it is not being reduced to writing.)
- d. Maintain allotment records in a manner that will permit the ready identification of unliquidated obligations. 25X1 [REDACTED] requires filing of obligating documents by projects and further segregated between liquidated and unliquidated. (NEA Division does not file obligating documents by project and the unliquidated items can be identified only by comparing individual obligation entries on the allotment control record with individual expenditure entries and noting the unmatched items.)
- e. Maintain separate allotment control records for Headquarters and for field transactions where suballotments are made to Class A stations, commencing with fiscal year 1958 allotments. Similar allotment control records should be maintained where Class B stations are involved if the accounting system for Class B stations now in preparation designates such stations as allottees rather than as Miscellaneous Reporting Units. (Presently, Headquarters and field transactions are both posted to the same records.) 25X1

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2. The Deputy Director (Plans) should advise the Audit Staff of the action taken.

Chief, Audit Staff

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